

Women's Budget Group Submission to Low Pay Commission Consultation June 2024

About Us

The UK Women's Budget Group (WBG) is a feminist think tank that provides evidence and capacity building on women's economic position and that proposes policy alternatives for a gender-equal economy. We act as a link between academia, the women's voluntary sector and the social policy world of think tanks. We benefit hugely from our network of pro-bono experts from academia and the new economics and women's movements, alongside a professional staff team, who are all essential to our work.

Summary

- We welcome the decision made by the Government to follow the Low Pay Commission's recommendation to raise the National Minimum Wage (NMW) rates and increase the National Living Wage (NLW) from April 2024. However, the increase of 9.8% in the NLW did not keep pace with inflation (10.1% in March 2023) and NLW workers have therefore experienced a pay cut in real terms. The Consumer Prices Index (CPI) rose by 2.3% in the year to April 2024¹ but, importantly, average private rents have increased by 9.2% in the 12 months leading up to March 2024, 1.5 million mortgage holders will see their payments increase by £1,800 this year, and the Household Costs Index (HCI) inflation remains higher than CPI, at 5%². These figures should be considered when revising the NLW rates to meet the cost of living needs of working-age adults.
- While we recognise that the scope of this consultation is limited to the Government's remit of maintaining the NLW at two-thirds of median earnings for April 2025, the Low Pay Commission is also concerned with wider labour market dynamics, the economic outlook for 2024-25 and the impact of low pay on workers with protected characteristics. WBG's submission is specifically aimed at shedding light on the gender inequalities in the labour market that interact with low pay and the NLW, as these are important considerations that should be taken into account when developing policies directed at increasing pay rates and reducing poverty. The evidence presented in this response addresses questions related to the experience of women on low pay, including causes and barriers to accessing better paid work, and provides insights on a number of intersecting issues including in-work poverty, social security and

¹ONS (2024) Inflation and Price Indices <https://www.ons.gov.uk/economy/inflationandpriceindices>

²ONS (2024) Household Cost Indices for UK Household Groups

[https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/householdcostsindicesforukhouseholdgroups/october2023todember2023#:~:text=In%20the%20most%20recent%20month,4.0%25%20\(Figure%201\)](https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/householdcostsindicesforukhouseholdgroups/october2023todember2023#:~:text=In%20the%20most%20recent%20month,4.0%25%20(Figure%201))

Universal Credit, the cost of living crisis, childcare, and the broader interactions of low pay with gender inequality.

- Although the NLW has increased earnings for the lowest-paid workers, this has not been enough to safeguard against poverty. 64% of working-age adults in poverty live in a household where at least one adult is in work³, and women, who are more likely to earn below the living wage, are also more likely to be in poverty.
- Whilst beyond the scope of this consultation, policies aimed at reducing poverty must look beyond paid employment. Despite the introduction of the NLW, rising housing costs, the widespread cost of living crisis and reduced incomes from benefits and tax credits have made it harder for low-income households with one or more earners to escape poverty.
- Increases to the NLW and the National Minimum Wage (NMW) are a positive development within the labour market but action to tackle in-work poverty needs to consider that a range of factors, not just low pay, contribute to in-work poverty and that women in particular find themselves having to reduce their capacity for paid work in order to meet caring responsibilities.
- Labour market policies aimed at eradicating poverty and/or inequality need to work holistically in combination with other parts of the social protection system such as social security benefits and adult social care and childcare. Increasing hours and pay is insufficient if families can still not afford childcare, effectively locking one parent (usually the mother) out of the labour market.

Gender inequality, low pay and in-work poverty

- Low pay is associated with low hours, involuntary part-time work and short-term, fixed and temporary contracts. Women are more likely to be paid less than the real Living Wage compared to men, and jobs held by women accounted for 59.5% of all jobs paid below the real Living Wage⁴. A much higher proportion of part-time jobs are paid below the Living Wage than full-time jobs – 28.3% of part-time jobs compared to 7.5% of full-time jobs in April 2023⁵. The majority of part-time workers are women⁶.
- Although the NLW has increased hourly earnings for the lowest-paid workers, it has not been enough to safeguard against poverty. Paid employment does reduce the risk of poverty (when compared to being unemployed), yet 64% of working-age adults in poverty live in a household where at least one adult is in work⁷.

³ JRF (2024) UK Poverty 2024 <https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk>

⁴ Living Wage Foundation (2024) Employee Jobs Paid Below the Living Wage: 2023 (https://livingwage.org.uk/sites/default/files/2024-04/Employee%20Jobs%20Below%20The%20Living%20Wage_V8.pdf)

⁵ Ibid.

⁶ House of Commons Library (2024) Women and the UK Economy (<https://researchbriefings.files.parliament.uk/documents/SN06838/SN06838.pdf>)

⁷ JRF (2024) UK Poverty 2024 <https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk>

- Action to tackle in-work poverty needs to recognise the structural causes of poverty and inequality. To do this, the Government needs to acknowledge that low pay is just one factor that contributes to the levels of in-work poverty in the UK and that high living costs and the structure and amounts of social security benefits are also key areas to address.
- Women in the UK are slightly more likely to live in poverty than men when this is measured on the usual household basis⁸ and female-headed households are poorer than comparable male-headed households⁹.
- Part-time workers' poverty rates are more than double the poverty rates of full-time workers (20% compared with 10%)¹⁰.
- Sectors within which women make up the majority of employees, such as retail trade (15%), and accommodation and food services (19%), have some of the lowest earnings and highest in-work poverty rates¹¹.
- The risk of in-work poverty is higher for disabled workers than for those who are not and is higher for minority ethnic workers than for white workers¹².
- People in families with children and one or more earners have a higher poverty rate than people in families without children with one or more earners, and workers in single-adult families have a higher risk than couples with one or more earners¹³.
- Around 84% of single parents are women¹⁴ and working single parents have seen the fastest rise in poverty, with 40% of working age single parents now in poverty¹⁵.

The Cost of Living

Although the NLW has increased earnings for the lowest-paid workers, the increase to two-thirds of median earnings has not been enough to safeguard against poverty. As mentioned above, given the current economic outlook and labour market conditions, the NLW should be increased in line not only with CPI but with other measurements that more accurately reflect the cost of living crisis, including the increase in private rent prices and HPI to avoid a pay cut in real terms for NLW workers.

Housing Costs

⁸ Department for Work and Pensions (2024) <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2023>

⁹ Ibid.

¹⁰ JRF (2024) UK Poverty 2024 <https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk>

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ ONS (2023) Families and Households in the UK 2022

(<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/bulletins/familiesandhouseholds/2022>)

¹⁵ JRF (2024) UK Poverty 2024 <https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk>

- The cost of housing has a considerable impact on families' budgets. This is reflected in poverty statistics: when housing costs are taken into account, the percentage of working-age adults with children in poverty increases from 17% to 24%¹⁶. Citizen's Advice note that when negative budgets are calculated using CPI inflation, this underestimates the number of people living on a negative budget by around 619,000, compared to when it is calculated using the Household Costs Indices (HCI) inflation, which is more accurate to the experience of low-income households¹⁷.
- In the case of lone parents, housing costs take a heavier toll on finances: 46% of single parents are in poverty after housing costs (compared to 26% before housing costs)¹⁸.
- Housing costs have increased at a much higher rate than CPI in the last year. UK private rents increased by 9.2% in the year leading up to March 2024¹⁹, and 1.5 million mortgage holders will see their payments increase by £1,800 this year²⁰. Housing costs affect low-income households the hardest, as those in the poorest quarter of the population spend on average 21% of their household income on housing costs, compared to 6% for the richest quarter. In 2021, for example, the poverty rate using incomes measured before deducting housing costs was 17%, but that rises to 22% when measured after deducting housing costs²¹.

Energy Costs

- Households saw their energy costs increase significantly from April 2023. Government support was reduced and the Energy Price Guarantee (EPG) was raised to £3,000 (from £2,500), and overall, energy bills increased by 20% in 2023-24 compared to 2022-23²².
- These increases come on top of pre-existing problems of fuel poverty. In 2022 13% of households were in fuel poverty²³. Single parents, 88% of whom are women, are particularly likely to be in fuel poverty. In 2023, 28.8% of single-parent households were in fuel poverty, a significant increase from 18.9% in 2018²⁴, although End Fuel Poverty predicts this number is now likely to be higher²⁵.

¹⁶ House of Commons Library (2024) Poverty in the UK: Statistics <https://researchbriefings.files.parliament.uk/documents/SN07096/SN07096.pdf> p.27

¹⁷ Citizen's Advice (2024) The National Red Index <https://www.citizensadvice.org.uk/policy/publications/the-national-red-index-how-to-turn-the-tide-on-falling-living-standards/#h-1-key-facts-and-findings>

¹⁸ E.g. see F Bennett (2018) 'Gender and social security' in J Millar and R Sainsbury (eds.) Understanding Social Security (3rd edn.), Bristol: The Policy Press

¹⁹ ONS (2024) Private Rent and House Prices UK: April 2024 <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/april2024>

²⁰ Resolution Foundation (2024) The Macroeconomic Policy Outlook: Q1 2024 <https://www.resolutionfoundation.org/app/uploads/2024/01/MPO-Q1-24.pdf>

²¹ IFS (2023) Housing Costs and Income Inequality in the UK <https://ifs.org.uk/publications/housing-costs-and-income-inequality-uk>

²² Resolution Foundation (2023) The only way is down <https://www.resolutionfoundation.org/publications/the-only-way-is-down/>.

²³ Department for Energy Security & Net Zero (2024) Annual Fuel Poverty Statistics in England 2024 <https://assets.publishing.service.gov.uk/media/65ccecba1d939500129466a9/annual-fuel-poverty-statistics-report-2024.pdf>

²⁴ Ibid

²⁵ End Fuel Poverty (2022) Children set to suffer as energy bills rocket <https://bit.ly/3pMmF8q>

- Disabled people and their carers will face significant additional problems as a result of rising energy costs. On average, disabled households (with at least one disabled adult or child) need an additional £975 per month to have the same standard of living as non-disabled households. If this figure is updated to account for inflation over the current period 2022/2023, these extra costs rise to £1,122 per month²⁶.

Food Costs

- While decreasing from the 45-year high of 19.2% in March 2023, food inflation still rose by 7% in the year leading up to January 2024²⁷.
- However, as food writer and activist Jack Monroe has pointed out, ONS inflation data are based on the price of an 'average' basket of goods and do not take into account the fact that poorer people will rely on value ranges and discounted goods, where price rises have been steeper²⁸. This is clear when considering that the average prices of bread and cereals rose by 19.4% in the year to March 2023, and a further 4% in the year to March 2024²⁹.
- Again, this comes on top of pre-existing problems with food insecurity. In 2021/22, 24% of households with incomes of under £200 per week had reported food insecurity, with 27% of single-parent households with three or more children reporting food insecurity³⁰.

Fuel Costs

- While average fuel prices have decreased from their 2022 peak of 191.53p-per-litre of petrol and 199.05p per litre of diesel in July, they have still failed to decrease at the same rate as wholesale costs³¹.
- The Competition and Markets Authority (CMA) recently noted that, while Russia's invasion of Ukraine had caused prices to rise, higher pump costs could not be "attributed solely to factors outside the control of the retailers". Indeed, there is concern that companies are failing to pass on the government's 5p fuel duty cut for motorists and have increased their margin targets on fuel for the year³².

²⁶ Scope (2023) Disability Price Tag 2023: the extra cost of disability <https://www.scope.org.uk/campaigns/extra-costs/disability-price-tag-2023/>

²⁷ ONS (2024) Cost of Living Insights: Food <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/costoflivinginsights/food>

²⁸ Jack Monroe (21 Jan 2022) Twitter thread (<https://x.com/GMB/status/1484429039230193668>)

²⁹ ONS (2024) Consumer Price Inflation, March 2024

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/march2024>

³⁰ ONS (2023) Family Resources Survey: financial year 2010 to 2022 <https://www.gov.uk/government/statistics/family-resources-survey-financial-year-2021-to-2022>

³¹ Heycar (2023) Latest petrol and fuel prices <https://heycar.co.uk/blog/latest-fuel-prices>

³² BBC (2023) Supermarkets probed over food and fuel prices <https://www.bbc.co.uk/news/business-65601292>

Childcare and Social Care

Childcare

- The OECD recently reported that the UK has the most expensive childcare system in the world with an average 35.7% of household income being spent on it³³.
- In-work poverty rates for households with children are higher than for those without children, and among families with children they are higher for single-earner than dual-earner families³⁴. Adults in low-income households with children say that the issue of childcare is one of the reasons they are unable to work more hours³⁵.
- A 2023 national report into the childcare crisis from Pregnant Then Screwed found that 76% of mothers who pay for childcare say it does not make financial sense for them to work. In addition, 11% of parents say that childcare costs are the same or more than their take-home pay per day. And 22% of parents say that childcare costs are more than half of their household income³⁶.
- In 2024, the price of childcare rose by 7.4% for children aged under two to £157.58 per week for just a part time place³⁷.
- The cost of childcare has soared over the past decade and is now more than £2,000 per year higher than it was in 2010, according to analysis from the Trades Union Congress³⁸.
- Low-paid workers are more likely to work non-standard hours such as evenings and weekends or have irregular shift patterns. Finding formal childcare to fit in with these work patterns is much more difficult. Research has found that low-paid workers use more informal childcare, with the inflexibility of their work patterns and the cost of childcare significant factors in why they do not work more hours³⁹.
- Under Universal Credit, low-income parents can claim 85% of childcare costs up to maximum amounts. However, this still leaves working parents on Universal Credit with 15% of the costs to pay, reducing the benefits of working or increasing their hours. The provision of support for 85% of costs is also undermined by the requirement for parents to pay childcare fees up front and then claim the cost back (except in certain limited circumstances, as introduced recently)⁴⁰. This creates additional barriers to work for many potential earners in low-income families who cannot afford to make these large payments up front.

³³ OECD (2019) Net childcare costs <https://data.oecd.org/benwage/net-childcare-costs.htm>

³⁴ JRF (2024) UK Poverty 2024 <https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk>

³⁵ Ibid

³⁶ Pregnant then Screwed (2023) A Cry For Help <https://pregnantthenscrewed.com/three-quarters-of-mothers-who-pay-for-childcare-say-that-it-does-not-make-financial-sense-for-them-to-work/>

³⁷ CORAM (2024) Childcare Survey 2024 <https://www.familyandchildcaretrust.org/sites/default/files/Childcare%20Survey%202024.pdf>

³⁸ The Guardian (13 June 2022) [UK childcare costs soar by more than £2,000 in a decade, TUC says | Childcare | The Guardian](https://www.theguardian.com/uk-news/2022/jun/13/childcare-costs-soar-by-more-than-2000-in-a-decade-tuc-says)

³⁹ Bünning, M & Pollmann-Schult, M (2016) : Family policies and fathers' working hours: cross-national differences in the paternal labour supply, Work, Employment and Society

⁴⁰ JRF (2024) UK Poverty 2024 <https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk>

- WBG therefore welcomed the government’s commitment at the 2024 Spring Budget to ensure the significant expansion of the early years and childcare free hours offer to younger children from families with earners⁴¹.
- However, we are concerned about the challenges for delivering this expansion of provision. We estimate that to fund the current hours at their true cost for 2025/26 will cost an additional £5.2 billion, which includes the impact of inflation and paying at least the NLW to early years workers⁴².
- Any expansion has to come with a plan to recruit, train and pay early years workers properly. The early years workforce, predominantly women, are some of the worst paid people in the labour market, with 45% relying on benefits to supplement their income, leading to over a third leaving the sector within two years⁴³. Given the current shortages and growing volume of women seeking full time work, subsidised or bursary training is needed for early years staff⁴⁴. The creation of well paid jobs in traditional areas of women’s work such as the social care and childcare sectors would have positive ripple effects throughout the economy and have a significant short-term impact on employment and the gender pay gap, while effectively paying for itself in the long term⁴⁵.

Social Care

- Like childcare, caring for disabled adults/children or the elderly, can also reduce the amount of income that people can earn through paid work.
- 59% of unpaid carers are women⁴⁶. Women are more likely to become carers and to provide more hours of unpaid care than men. More women than men provide high intensity care at ages when they would expect to be in paid work⁴⁷.
- Reductions in formal care services puts a greater burden on unpaid carers and threatens to undo some of the progress made in raising female employment rates in the past 20 years, particularly among older women⁴⁸. Recent research by Carers Trust has found that 14% of unpaid carers have had to use a food bank; 63% are worried about being able to

⁴¹ WBG (2024) Updated Analysis <https://wbg.org.uk/analysis/updated-analysis-early-education-and-childcare/>

⁴² WBG (2024) WBG’s full response to the Spring Budget 2024 <https://wbg.org.uk/analysis/uk-budget-assessments/wbg-full-response-to-spring-budget-2024/>

⁴³ Early Years Workforce Commission (2021) A Workforce in Crisis: Saving our Early Years [https://www.pacey.org.uk/Pacey/media/Website-files/Non-PACEY%20documents%20\(PDFs\)/a-workforce-in-crisis-saving-our-early-years.pdf](https://www.pacey.org.uk/Pacey/media/Website-files/Non-PACEY%20documents%20(PDFs)/a-workforce-in-crisis-saving-our-early-years.pdf)

⁴⁴ Early Years Allowance (2021) Breaking Point: The impact of recruitment and retention challenges on the early years sector in England (https://www.eyalliance.org.uk/sites/default/files/breaking_point_early_years_alliance_2_december_2021.pdf)

⁴⁵ De Henau (2022) Simulating Employment and Fiscal Effects of High-Quality Universal Childcare in the UK <https://ijccep.springeropen.com/articles/10.1186/s40723-022-00096-y>

⁴⁶ Carers UK (2023) Key facts and figures about caring <https://www.carersuk.org/policy-and-research/key-facts-and-figures/>

⁴⁷ Carers UK and Centre for Care (2022) Cycles of Caring: transitions in and out of unpaid care <https://bit.ly/3pDQPL3>

⁴⁸ Land, H. UKWBG (2020) Social Care and gender [final-social-care-2020.pdf \(wbg.org.uk\)](https://wbg.org.uk/analysis/social-care-2020.pdf)

afford energy bills; and 64% of unpaid carers have either had to give up work altogether or reduce their paid hours because of their caring role⁴⁹.

For more information about social care see our latest [briefing](#).

Social Security

Women are more likely than men to rely on social security for a larger part of their income because they earn less than men on average and are more likely to have disabilities and caring responsibilities, leaving them with less time for paid work across a lifetime. A social security system that provides for women is vital to recognise their humanity and wider contributions to society beyond paid employment⁵⁰.

Tax Credits and Universal Credit

- Cuts and changes made to benefits since 2010 under the umbrella of austerity have resulted in reductions in payments and increases in women's, children's and in-work poverty. The introduction of Universal Credit (UC), the benefit cap, the two-child limit, the 'bedroom tax', the benefits freeze, and other changes have also exacerbated inequalities based on gender, race, class and disability, whilst sometimes also disregarding or disadvantaging (potential or actual) 'second earners' in households⁵¹.
- The abolition from April 2017 of any additional child element in Universal Credit (UC) for third and subsequent children is having a disproportionate adverse impact on BAME women. 51% of Black African, 65% of Pakistani and 64% of Bangladeshi children live in families with three or more children compared to 30% of those in White British families. In addition, 15% of Black Caribbean, 23% of Black African and 11% of Pakistani children are in lone-parent families with three or more children⁵². Households with three or more children experience, on average, a loss of £5,962 in a year, of which £1,838 corresponds to the loss due to the "two-child" limit on benefits⁵³. The net change in social security payments represents a cut of almost a quarter (23%) of the baseline income for these households.
- A 2020 report from the House of Lords Economic Affairs Committee found that UC is failing in its ambitions to 'make work pay', lift people out of poverty and provide income to meet basic needs⁵⁴. These failings particularly affect women because women are more likely to rely on the social security system at some point, as noted above.

⁴⁹ Carers Trust (2022) Carers Trust research reveals unpaid family carers experiencing unprecedented financial hardship with many now using food banks <https://bit.ly/3W6veqM>

⁵⁰ WBG (2023) Spring Budget 2023: Social security and gender <https://wbg.org.uk/analysis/spring-budget-2023-social-security-and-gender/>

⁵¹ Ibid

⁵² WBG calculations by Lucinda Platt (LSE), based on Households Below Average Income surveys (2010/11 to 2012/13).

⁵³ WBG (2024) [Forthcoming] Briefing on Social Security and Gender

⁵⁴ House of Lords Economic Affairs Committee (2020) Universal Credit isn't working: proposals for policy reform <https://bit.ly/2YSWZHd>

- The £20 per week Universal Credit uplift that was introduced as a response to the pandemic has now been reversed despite calls for it to be made permanent. To provide winter support after the uplift ended, the government announced a £500 million Household Support Fund, which was extended for a further six months at the 2024 Spring Budget. However, this was insufficient to compensate for the losses arising from the end of the uplift⁵⁵.
- Analysis by the Joseph Roundtree Foundation demonstrates that the temporary £20 per week uplift to Universal Credit's standard allowance during the pandemic was a major factor behind a temporarily reduced poverty rate in 2020/21, including for larger families⁵⁶, despite only one uplift amount being paid whatever the size of the household.
- The Trussell Trust also reports that there was a slight reduction in the use of foodbanks following the recent 'Cost of Living Payments' to give support with high energy bills, while Citizens Advice reports a reduced demand for advice. These temporary measures highlight how financial support can make a real and direct difference⁵⁷.

Statutory Maternity Pay and Maternity Allowance

- Women who qualify for Statutory Maternity Pay (SMP) during pregnancy or as new mothers receive 90% of their gross average weekly earnings for 6 weeks, followed by £184.03 or 90% of their average weekly earnings – **whichever is the lower** – for the remaining 33 weeks. A 37-hour week at the current NLW rate would be £424.39 pence. 90% of that would be £381.95. This means that many women are effectively forced to live on an income that is significantly below the NLW or to rely on less than half of their normal earnings for 33 weeks of their maternity leave.
- Those who do not qualify for SMP will have to rely on Maternity Allowance (MA), which is £184.03 for the whole 39 weeks. However, MA is classified as a benefit, which means that it is deducted from Universal Credit in full.

Housing Benefit/amount paid for housing in Universal Credit

- In 2012, Local Housing Allowance (LHA) rates, the maximum private rent payable by housing benefit, were cut from the median to the 30th percentile of local private rents among non-housing benefit recipients⁵⁸.
- Overall national caps were introduced for each home size up to a maximum rate of four bedrooms⁵⁹. Single adults aged 25-34 were limited to the rate for a room in a shared house⁶⁰. In 2013, the overall benefit payable to working-age households was capped, and

⁵⁵ WBG (2023) Spring Budget 2023: Social security and gender <https://wbg.org.uk/analysis/spring-budget-2023-social-security-and-gender/>

⁵⁶ JRF (2023) UK Poverty 2022 <https://www.jrf.org.uk/report/uk-poverty-2023#key-findings>

⁵⁷ JRF and The Trussell Trust (2023) An Essentials Guarantee <https://www.jrf.org.uk/report/guarantee-our-essentials>

⁵⁸ Tunstall, B., UK WBG (2020) Housing and Gender [final-housing-2020.pdf \(wbg.org.uk\)](https://wbg.org.uk/final-housing-2020.pdf)

⁵⁹ Ibid

⁶⁰ Ibid

the cap was reduced in 2016 to £20,000 per year (£23,000 in London, and £15,000 for single adults). This now applies to UC as a whole, rather than housing benefit. Households in high-rent areas and those with several children were most affected⁶¹.

- These changes have disproportionately affected women as they are more likely than men to be in receipt of Housing Benefit, with women making up 60% of adults in households claiming Housing Benefit⁶² (30% of households claiming Housing Benefit are women living on their own and another 22% are lone parents)⁶³.

For more information about social security see our latest [briefing](#).

Conclusion

Ending low hourly pay does have a part to play in tackling in work poverty. However, with CPI inflation still at its highest since 2011, private rent prices increasing at higher rates, and HPI at 5%, it is important that any future increase is at least in step with cost of living indicators in order to ensure that NLW workers do not continue to experience a pay cut in real terms.

It is also important to recognise that an increased NLW and NMW will not end in work poverty completely, especially for women. This is because women often work fewer hours in order to juggle unpaid caring responsibilities such as childcare so even if their hourly wage is adequate, their take-home earnings may not be. And, as in-work poverty is measured at a household level, this does not necessarily tell us enough about women's resources, as finances are not always shared equally within the home. An increase to the NLW needs to be combined with action to improve the availability of affordable childcare and elder care, and with a social security system that supports those who are combining part time work with unpaid care.

⁶¹ Ibid

⁶² (Assuming couple household claimants include an equal total number of men and women) Department of Work and Pensions (2017) Housing Benefit Caseload Statistics: Data to May 2018

⁶³ Tunstall, B. UKWBG (2020) Housing and Gender [final-housing-2020.pdf \(wbg.org.uk\)](#)